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First Supplement to  
Circular Letter No. 19 (2008)  
November 20, 2008

TO: All authorized financial guaranty insurers  
RE: "Best practices" for financial guaranty insurers

On November 14, 2008, the President's Working Group on Financial Markets announced a series of initiatives to strengthen oversight and transparency and to create a centralized market infrastructure for the over-the-counter derivatives market, including credit default swaps ("CDS"). The initiatives include the development of CDS central counterparties, some of which are expected to begin operations before the end of 2008. In light of this progress made toward comprehensive federal regulation of CDS, New York will delay indefinitely its application of New York Insurance Law to CDS as described on pages 6 and 7 of Circular Letter No. 19 (2008).

The remainder of the Circular Letter describing best practices to be conducted by financial guaranty insurers as of January 1, 2009, is neither affected nor delayed by this supplement.

Questions regarding the Circular Letter and this supplement should be directed to Associate Tax Counsel Ann H. Logan at [alogan@ins.state.ny.us](mailto:alogan@ins.state.ny.us) or (212) 480-6297.

Sincerely,

Eric R. Dinallo  
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